Report by the Board of Management to the Annual Stockholders' Meeting concerning item 8 of the agenda in accordance with Section 71 Para. 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Para. 4 Sentence 2 AktG

The Board of Management and the Supervisory Board propose that the Board of Management shall be authorized for a limited period of time (only until 25 November 2011) to purchase and appropriate shares in the Company up to a calculated share of 10% in the existing capital stock of the Company. The amount of such capital stock at the time of adoption of the relevant resolution by the Annual Stockholders' Meeting regarding the authorization or – if this value is lower – at the time of exercising the authorization shall be authoritative.

This new authorization shall replace the authorization for the acquisition of shares in the Company granted in the Annual Stockholders' Meeting of 07 May 2009 which is set to expire on 05 November 2010. The authorization of 07 May 2009 regarding the appropriation of shares acquired on the basis of the authorization of 07 May 2009 until the day of the Annual Stockholders' Meeting shall not be affected by the above.

Under mandatory law, the shares acquired under the proposed new authorization together with other shares already acquired and still held by the Company may not exceed 10% of the capital stock of the Company. At the time the Annual Stockholders' Meeting was convened, the Company did not own any own shares in the Company.

When acquiring shares in the Company, the principle of equal treatment of all Stockholders as set forth in Section 53 a AktG must be adhered to. This is accomplished by providing for the shares to be acquired, at the Board of Management's discretion, either on the stock exchange or through a public offer to purchase directed at all Stockholders or a public call, directed at all Stockholders, for the submission of an offer to sell. With a public call for submission of an offer to sell, the addressees can decide how many shares they wish to offer to the Company and, if a price range has determined, at what price. If a public offer to purchase is oversubscribed or if several equivalent offers by Stockholders for the purchase of shares cannot all be accepted, their acceptance shall be based on quotas. For reasons of practicability and non-discrimination, this should be based on the quote of tendered shares (tender ratio). The option of rounding serves to avoid fractional amounts in the determination of the quotas to be acquired. To that end, the number of the shares to be acquired by the individual tendering Stockholders may be rounded off so as to allow for showing the acquisition of whole shares for procedural reasons. Consequently, this simplifies the technical execution and is therefore in the interest of the Company and its Stockholders.

Shares may be acquired and disposed of for any purpose permitted by law. In particular, the authorization may be exercised for the following purposes:

In case of disposing shares in the Company by way of an offer to all Stockholders, the subscription right is maintained; the subscription right in this event may be excluded only with regard to fractional amounts. This should facilitate the disposal of shares in the Company by way of an offer to all Stockholders. Fractional amounts may result from the respective emission volume and from the fact that it is necessary to constitute a technically possible subscription right relationship. The value of such fractional amounts usually is low for the individual Stockholder. The potential dilution effect should also be disregarded due to the restriction to fractional amounts. On the other hand, the expenses for an emission without such exclusion are much higher for the Company, incurring additional costs. The shares excluded from the subscription right due to fractional amounts will be utilized in the best interest of the Company. The exclusion of the subscription right thus serves the purpose of practicability and cost efficiency and simplifies the execution of any disposal of shares in the Company by way of an offer to all Stockholders.

The Company may also dispose of the purchased shares in the Company outside the stock exchange and without a public call directed to all Stockholders provided that the shares are sold for cash and at a price that does not significantly fall short of the market value of the shares at the time of the sale. This authorization makes use of the simplified exclusion of the subscription right permitted pursuant to Section 71 Para. 1 No. 8 AktG in application of Section 186 Para. 3 Sentence 4 AktG. This is intended to provide the Company in the interests of expanding the Stockholder basis with an option to offer the company's share to institutional investors. The authorization furthermore allows for issuing shares in short notice. The proposed authorization therefore serves the securing of permanent and adequate equity capital base. This authorization may only be exercised under the condition that the percentage of shares that are issued under the exclusion of the subscription right in accordance with Section 186 Para. 3 Sentence 4 AktG does not amount to more than 10% of the capital stock, neither at the time of adoption of a resolution by the Annual Stockholders' Meeting regarding this authorization this authorization becomes effective nor at the time it is exercised. This upper limit relevant for the simplified exclusion of the subscription right shall be reduced by the pro-rated amount of the capital stock attributable to these shares issued or sold during the period of effectiveness of this authorization under the exclusion of the subscription right in direct or analogous application of Section 186 Para. 3 Sentence 4 AktG. Furthermore, this limit shall be reduced by shares that have been or must be issued in order to satisfy option of conversion rights if the associated bonds were issued under exclusion of the subscription right in accordance with Section 186 Para. 3 Sentence 4 AktG. Associated bonds may be option or conversion bonds or profit participation rights or combinations of any of the above instruments. Option or conversion bonds as defined in the proposed authorization shall also be served if shares are issued to satisfy claims regarding the subscription of shares under conversion obligations or to avoid any claims for a reduction of the option or conversion price for the purpose of protection against dilution by issuing additional shares.

The financial and voting interests of the Stockholders will be adequately safeguarded in the event of an exclusion of subscription rights in application of Section 186 Para. 3 Sentence 4 AktG. Any concerns about dilution are addressed by the stipulation that shares may only be sold at a price that is not significantly lower than the prevailing market price. Furthermore, Stockholders have the opportunity to maintain their share in the Company's capital stock at any time by purchasing additional shares on the stock exchange. The Board of Management will endeavor to realize the highest possible proceeds from disposal and to minimize any discount on the market price, giving due consideration to the current market conditions. Any discount on the market price at the time of sale probably will be less than 3%, and in any event never more than 5%. The relevant market price shall be the market price on the day of the binding agreement with the buyer. Since due to the volatility of markets price fluctuations may occur on very short notice, it should not be stipulated in advance whether a current average price for a few days should be used or a current price at the reference time. This shall be documented on a case-by-case basis.

Furthermore, the Company shall have the opportunity to offer the purchased own shares in the Company in connection with mergers, acquisitions, or other assets, including rights or receivables, as consideration instead of money. This will allow the Company the required latitude to be able to respond quickly, flexibly, and without straining liquidity to attractive opportunities for mergers and acquisitions of companies, parts of companies, and equity interests in companies, or other assets, including rights and receivables, allowing the Company to improve its competitive position and to strengthen its profitability, e.g. without involving the Annual Stockholders' Meeting, which frequently is not possible due to shortage of time. In today's corporate practice, own shares are a major acquisition currency. Oftentimes, the owners of attractive companies or other attractive assets demand consideration in the form of voting stock of the buyer instead of cash payment. In order for the Company to be able to acquire such companies or assets as well, it must be able to offer consideration in the form of stock. Without the exclusion of the subscription right, it would not be possible to achieve the resulting advantages for the Company and the Stockholders. In such a case, the Board of Management will ensure that the interests of the Stockholders are adequately protected when determining the valuation ratios. The Board of Management will also take into account the market price of the Company's shares. To prevent previously reached negotiation results from being challenged on the grounds of market price fluctuations, a systematic link to the market price is not envisaged. The Board of Management will only exercise this authorization in individual cases if the exclusion of the subscription right is in the well-understood interest of the Company and its Stockholders. Furthermore, the use of own shares in the Company for acquisitions by existing Stockholders does not mean that their voting right is diluted compared to the situation prior to the Company's purchase of the shares in the Company.

The Board of Management will furthermore be authorized to redeem the acquired shares in the Company. The redemption of shares will generally result in a capital reduction without requiring any further resolution by the Annual Stockholders' Meeting. Notwithstanding the aforesaid, the Board of Management may determine that the capital stock shall remain unchanged and that instead the remaining shares percentage in the capital stock shall increase as a result of the share redemption pursuant to Section 8 Para. 3 AktG. Therefore, the Board of Management shall also be authorized to amend the Articles of Associations as necessary to reflect the change in the number of no-par value shares resulting from the redemption.

The Board of Management shall be authorized to use acquired shares in the Company to fulfill obligations of the Company from conversion or option rights or conversion obligations from convertible bonds or warrant bonds and/or profit participation rights or income bonds (or any combination of these instruments) issued by the Company or its direct or indirect affiliated companies, which grant a conversion or option right or carry a conversion obligation. The addition of borrowed capital through such financing instruments is in the Company's interest, since this form of financing is possible on particularly attractive terms. It is furthermore possible to convert the borrowed capital into equity at a later stage or at least report it in the balance sheet equivalent to equity and, hence, strengthen the Company's capital base. However, such financing can be realized only if it is possible to allocate a sufficient number of shares of the Company to holders or creditors of the relevant instruments if the conversion right or option is exercised or the conversion obligation met. It may be expedient to serve the relevant rights to subscription of shares not by way of capital increase, but as a whole or in part by shares in the Company. Accordingly, the relevant use of shares in the Company is proposed, excluding the subscription right. When deciding whether shares in the Company will be issued or a capital increase will be made, the Board of Management shall carefully balance the interests of the Company and of the Stockholders.

The Board of Management shall be authorized to use acquired shares in the Company to grant holders of obligations of the Company from conversion or option rights or conversion obligations from convertible bonds or warrant bonds and/or profit participation rights or income bonds (or any combination of these instruments) issued by the Company or its direct or indirect affiliated companies, which grant a conversion or option right or carry a conversion obligation, shares to the extent to which after exercising their conversion or option rights or after performing their conversion duties they would be due a subscription right to shares of the Company. To make it easier to place bonds on the capital market, the relevant issuing terms usually provide for protection against dilution. Dilution may be prevented e.g. by the holder of convertible bonds also having a subscription right to the new shares if shares are issued where the Stockholders have a subscription right. They are thus placed in the same position as if they had already exercised their option or conversion right or met their conversion obligation. Since the protection against dilution in this case does not have to be guaranteed by reducing the option or conversion price, it is possible to realize a higher issue price for the shares to be issued upon conversion or exercise of the option. This strengthens the Company's liquidity. However, this approach is possible only if the Stockholders' subscription right is excluded to that extent.

In each individual case that leads to an exclusion of the subscription right, the Board of Management shall carefully examine whether the exclusion of the Stockholders' subscription right is in the best interest of the Company and thus also in the best interest of its Stockholders.

The option to acquire and dispose of shares in the Company, including by directly or indirectly affiliated companies of the Company or by third parties for account of the Company or of directly or indirectly affiliated companies of the Company allows the Company to use shares in the Company more flexibly.

In the event of the utilization of the above authorization, the Board of Management shall report thereon at the next Annual Stockholders' Meeting.

Leverkusen, 18. März 2010

(Dr. Axel C. Heitmann)	(Dr. Werner Breuers)
(Dr. Rainier van Roessel)	(Matthias Zachert)